

THE GEORGE WASHINGTON UNIVERSITY  
Washington, DC  
20052

MINUTES OF A REGULAR MEETING  
OF THE FACULTY SENATE HELD ON  
MARCH 13, 1992, IN LISNER HALL  
ROOM 603

The meeting was called to order at 2:18 p.m., by Vice President French, who turned the Chair over to President Trachtenberg, who arrived shortly thereafter.

Present: President Trachtenberg, Vice President French, Registrar Gaglione, Parliamentarian Schechter, Belknap, Burdetsky, Carson, Divita, Felts, Friedenthal, Garris, Griffith, Gupta, Harrington, Hill, Holmes, Mahmood, Morgan, Park, Parke, Pock, D. Robinson, L. Robinson, Silber, P. Smith, S. Smith, Smythe, Vontress, and Wirtz

Absent: East, Gilmore, Giordano, Keimowitz, Kenny, Maddox, Miller, and Schiff

APPROVAL OF MINUTES

The minutes of the regular meeting of February 14, 1992, were approved as distributed.

OLD BUSINESS

A SUBSTITUTE RESOLUTION TO AMEND THE FACULTY CODE TO ESTABLISH SCHOOL-WIDE PERSONNEL COMMITTEES (91/6), AS AMENDED (DEFERRED TO MARCH 13, 1992, SENATE MEETING)

On behalf of the Appointment, Salary and Promotion Policies Committee, Professor Hill, Chair, moved the adoption of Substitute Resolution 91/6, as amended, and the motion was seconded. He then briefly outlined the Committee's reasons for supporting the establishment of school-wide personnel committees. Basically, he said, since all academic units are required by the Faculty Code to publish their criteria for tenure and promotion of regular full-time faculty, the personnel committees would assure that such criteria are applied uniformly. Moreover, the experience of existing school personnel committees has shown that they do operate successfully as advisories to the deans. Professor Hill urged the Senate to support this resolution.

Professor Carson read a statement from the faculty of the School of Business and Public Management who voted unanimously to reject the establishment of school-wide personnel committees.

Professor David Robinson, noting that the Law School would be unaffected by this resolution since it sits as a committee of the

whole, said he thought it would be useful if school-wide personnel committees considered recommendations, not only for promotion and tenure, but for initial appointments as well. He then moved to amend the first paragraph, line 5, to add the word "appointment" before the word "promotion." The motion was seconded. Professor Hill responded that there was nothing to prevent faculty from authorizing a personnel committee to consider recommendations for appointments. Professor Morgan said that the proposed amendment might be useful in small schools, but it would make the appointment process in Columbian College almost impossible given the large number of new appointments each year. If it were necessary to have an offer approved by a personnel committee in each instance, departments might not be able to move rapidly enough to get the people they want. Professor Morgan suggested that it might make more sense to have personnel committees make recommendations on "appointments with tenure." Professor Park agreed with Professor Morgan's suggestion and he moved to amend the amendment by substituting the words "appointments with tenure" for the word "appointment." The motion was seconded. Professor David Robinson spoke against the substitute amendment because he said it seemed to him that virtually every argument that is made in favor of this resolution applies to initial appointments. Further discussion followed by Professors Silber, Hill, and Park. The question was called on the substitute amendment, and was passed by a vote of 15-2. The question was then called on the original motion, as amended, and was passed by a vote of 12-10. Professor Pock moved to delete the words "as to" in lines 4 and 6 of Paragraph 1 and Professor David Robinson moved to strike the letter "a." after "1.a." since "b." had previously been struck. Professor Hill accepted the amendments.

Professors Wirtz and Carson spoke against the resolution, and Professors Griffith, Morgan, Lilien Robinson, Silber, and Garris spoke in favor of it. For the purpose of clarification in line 8 of Paragraph 1, Professor Griffith, at the suggestion of the Parliamentarian, moved to substitute the words "departmental or unit" for the word "faculty" before the word "recommendation." Professor Hill accepted this amendment.

The question was called, and Substitute Resolution 91/6, as amended, was adopted. (Substitute Resolution 91/6, as amended, is attached.)

#### RESOLUTIONS

##### A RESOLUTION TO AMEND THE FACULTY CODE RESPECTING THE DATE OF APPOINTMENT NOTIFICATION (91/7)

On behalf of the Appointment, Salary and Promotion Policies Committee, Professor Hill, Chair, moved the adoption of Resolution (91/7), and the motion was seconded. He said that this resolution proposes to change the wording of the Faculty Code to coincide with

the administration's cycle in sending out the annual letters of appointment/reappointment. The Code now specifies the date of "on or about April 1"; this date would be changed to "May 7." Professor Hill then yielded the floor to Vice President French who explained that the appointment letters cannot be sent out until early May because the administration goes through a much more elaborate budgetary scheme than in former years. Also the date when tuitions are set for the upcoming years has been revised. Because of the much longer procedure in bringing the budget to the Board in March, plus the mechanical task of generating the letters to the faculty, the date of May 7th proposed by the ASPP Committee appears to be necessary. He said that the proposed date of May 7 is an outside date and one that the President agrees with. Vice President French said that it was the administration's desire to see that faculty raises are as generous as possible, but in order to make all of the complex calculations, more time is needed.

The question was called, and Resolution 91/7 was adopted.  
(Resolution 91/7 is attached)

#### INTRODUCTION OF RESOLUTIONS

No resolutions were introduced.

#### REPORT BY WALTER M. BORTZ, VICE PRESIDENT FOR ADMINISTRATIVE AND INFORMATION SERVICES, ON THE UNIVERSITY'S PROPOSED CONTRIBUTIONS TO HEALTH CARE PLANS AND TO THE RETIREMENT PROGRAM

Vice President Bortz noted that prior to 1988, GW employees enjoyed a retirement plan that was a 2-for-1 match in which the University matched 1% of employee salary contribution with 2% to a maximum University contribution of 10%. In 1986, a Tax Act was passed which affected, among other things, the retirement programs of non-profit organizations. In short, it meant that a university like George Washington was required to meet certain economic non-discrimination criteria in that it must prove that less-highly compensated employees were receiving a benefit similar to highly-compensated employees and also that the rate of participation was similar. In response to the requirements of the Tax Act, GW's retirement plan was changed in 1988 from a participatory to a non-participatory plan which meant that eligible employees could sign up for a 10% University retirement benefit without matching contributions. The full financial impact of that change cost the University about \$6 million the first year and it has steadily increased each year. Currently, the University is spending about \$17 million on that one particular benefit which has become a significant part of the total compensation package. In 1989, after President Trachtenberg arrived, he appointed a Benefits Review Committee to undertake a study of all of the fringe benefits. It was discovered that the University did not have to change its retirement plan in 1988, because the regulations of the 1986 Tax Act were and are still being formulated. Unlike GW, many insti-

tutions did not make any changes in their old retirement plans.

Vice President Bortz said that the Benefits Review Committee, working with members of the Appointment, Salary and Promotion Policies Committee, has reviewed a number of retirement programs to determine what plan would be appropriate for GW. After much deliberation, the BRC authorized him last week to prepare a memorandum of understanding of the BRC and forward it to the President recommending a change to the retirement plan. The recommendations are: (1) The base contribution for all eligible employees who complete the necessary documents for participation will be 4%. All participating employees will be eligible for a matching contribution of 6% in 1% increments. Faculty and staff taking full advantage of this program will, therefore, apply the equivalent of 16% to their retirement accounts. (2) The minimum age for participation will be 25 years. (3) During the first three years of employment, a new faculty or staff member may participate in the retirement benefit by contributing a portion of his/her salary to be matched 1% for 1% up to 10%. Vesting of the University's contribution would occur on the first day following the third year of service. Vice President Bortz said it should be pointed out that Social Security will make up a larger percentage of retirement income for less-highly compensated employees than for highly-compensated employees, so that those who feel they cannot contribute additional monies will still be able to enjoy an adequate income at retirement through a combination of Social Security and the accumulations from the 4% base non-participatory contribution.

Vice President Bortz stressed that the charge to the BRC was not to make a recommendation for an overall reduction in fringe benefits, but for a reallocation of one benefit to another. Given the significant increase in health insurance premiums, he said the BRC has elected to recommend a reallocation of benefit dollars from the retirement benefit to the health insurance benefit this year. (Memorandum dated March 11, 1992, to the President regarding recommendation of the BRC was distributed by Vice President Bortz and is attached hereto.)

Professor Hill, Chair of the Appointment, Salary, and Promotion Policies Committee, said that the Committee has been kept fully abreast of the BRC's deliberation and development of the formula for base and matching contributions to the University's retirement benefits. Three members of the ASPP Committee are also members of the BRC--Professor Park, Professor Kirsch, and himself --therefore, these three faculty members had a shaping role in devising the final formula. He said that the ASPP Committee concurs in the recommendation of the BRC that a reallocation of benefit dollars from the retirement program to health insurance benefits is appropriate at this time. He then distributed a resolution and report from the ASPP committee, asking the Senate's

endorsement of the new percentage formula. If the Senate were to approve the resolution today, Professor Hill said it could then go forward simultaneously with the Benefits Review Committee's recommendation to the President. Professor Hill moved that the Senate take a five minute recess to consider the resolution, and the motion was approved.

[The Senate recessed for five minutes and reconvened at 3:40 p.m.]

On behalf of the Committee on Appointment, Salary and Promotion Policies, Professor Hill, Chair, moved the adoption of "A Resolution to Endorse a New Percentage Formula for Base and Matching Contributions to the University Retirement Benefits," and the motion was seconded. He then moved under Section 2(e) of the Senate bylaws to take up this resolution immediately, and the motion was seconded.

Professor Felts noted that the Senate was being asked to vote on something that is a concession to health care benefits which have not yet been presented on the floor. Vice President Bortz explained that BC/BS is estimated to increase 21%; GWUHP 13-14%; and GHA 10%. He said that the total premium cost increase was initially over \$3 million. By reallocation of benefit dollars, this figure could be brought down to somewhere between \$2.0 million and \$3.0 million.

Professor Wirtz said he strongly opposed voting on this resolution today because he did not want to be put in a position of having to represent the faculty of his school without the benefit of the wisdom of those faculty, a number of whom are experts in the area of finance. Professor Griffith said it was his impression that when the Senate received the information from the BRC with respect to the reallocation of University and individual contributions to the pension plan, it was supposed to receive at the same time the figures on the health care plans in order to have an estimate of how much the University will save by moving to a new pension plan contribution. He said that since the Senate does not have the health care options before it, he opposed taking up this resolution today.

A discussion followed by Professors Carson, Morgan, Hill, David Robinson, Griffith, and Vice President Bortz.

Professor Morgan agreed that the Senate needed more time to properly consider and consult with their respective constituencies before taking a position on this resolution. It may be the case that the BRC will go ahead with this recommendation, but the BRC is not the faculty's responsible body--the Senate is. Professor Morgan suggested that the Senate not act on the resolution today, but that the Executive Committee be instructed to request the President to call a Special Meeting of the Senate to deal with this matter prior to April 10th.

Professor Hill withdrew his motion to take up the resolution today, and the seconder agreed.

President Trachtenberg said he wished to express his point of view on this matter. The University is presently spending about 25 cents of every salary dollar on benefits, not counting holidays and leave. Counting holidays and leave, it is about 38%, putting the University right up there with American industry which spends about 40%. He said he was perfectly happy to spend the money on retirement plans or on health insurance or whatever benefit the faculty desires, but he was not prepared to have the University go over the 38% because it would not permit any flexibility to do other things. The President said it seemed to him the University must work toward a "cafeteria" plan whereby individuals could choose the benefits that best suit them because they have different needs at different times. But the University is not yet at the point where its personnel management systems can accommodate individual flexibility. He said the reallocation of funds being discussed today is something that will get the University through a "bridging period," and that it is contemplated that the lion's share of any money that may be saved as a result will be protected by the administration to help pay for health insurance or other personnel benefits.

Professor Griffith then moved the following procedural motion: "The Faculty Senate directs its Executive Committee to ask the President to call a Special Meeting of the Senate prior to April 10th for the sole purpose of discussion of the University's proposed contributions to the Health Care Plans and Retirement Program and consideration of the resolution in this regard submitted by the ASPP Committee." The motion was seconded.

A discussion followed by Professors David Robinson, Morgan, Griffith, Hill, Carson, and Vice President Bortz.

Professor Park said he would like to remind the Senate what it is being asked to do in regard to reviewing these proposals. These are managerial decisions; the Senate does not have a veto power. If the committee system is to work, the committee has to take its best position and advise the Senate and advise the President. If the Senate finds that position offensive, then it can react with a resolution in opposition to it. But basically, he said, the committee feels obligated to come to the Senate with the best information it has and that information is not going to be perfect even in two or three weeks.

The question was called on the Griffith motion to call a Special Meeting of the Senate prior to April 10th, and it was adopted.

FURTHER RESPONSE TO THE UNIVERSITY BUILDING AND RENOVATION PLANS  
BY THE FISCAL PLANNING AND BUDGETING COMMITTEE AND THE PHYSICAL  
FACILITIES COMMITTEE

*Corrected  
4/10/92*

Professor Smythe, Chair of the Fiscal Planning and Budgeting Committee, reported that the Committee was very positive about the Wellness Center and the Marvin Center projects. The Committee thought it was a good idea in general to include the fee for the Wellness Center as part of a comprehensive University fee rather than a separate fee. It was the Committee's understanding, he said, that these construction projects do not preclude the possibility of other building projects in the not too distant future that would provide major academic space. On a slightly negative note, the Committee was concerned about taking away a faculty benefit which is free and replacing it with a user fee, and the Committee urged the consideration of a graduated user fee schedule. Finally, a general procedural concern of the Committee was the issue of salary increases. Beginning with the recognition that new money is going to be scarce in the next few years, the Committee felt it imperative that faculty opinion needed to be interjected earlier in the discussions of prioritizing how new money should be spent, which did not appear to happen in the case of the Wellness Center project.

Professor David Robinson, Jr., Chair of the Physical Facilities Committee, reported that this Committee also considered these projects, and was aided enormously by extensive presentations primarily by Vice President Katz. He said Vice President Katz provided the Committee with a wealth of information on the Wellness Center, the refurbishing of the Marvin Center, and the ongoing program of refurbishing classrooms and laboratories. The Committee, at its last meeting, approved a resolution recommending that the Faculty Senate support the expenditure of substantial additional funds to refurbish classrooms and laboratories, to refurbish the Marvin Center, and to construct the Wellness Center to complement the Smith Center. Professor Robinson noted that he was concerned about the relative allocations between academic facilities and physical facilities of the gymnasium kind, but he was strongly outvoted by the Committee in that respect.

GENERAL BUSINESS

I. NOMINATION FOR ELECTION OF THE NOMINATING COMMITTEE FOR THE  
EXECUTIVE COMMITTEE FOR THE 1992-93 SESSION

On behalf of the Executive Committee, Professor Griffith moved the following nominations for election to the Nominating Committee: Professors Charles A. Garris (SEAS) Convener; Maximilian Pock (Law); Susan J. Tolchin (SBPM); Martha N. Rashid (SEHD); William R. Felts (Medical); and William B. Griffith (CCAS). There were no nominations from the floor, and the nominees were unanimously elected.



II. NOMINATION FOR ELECTION TO ADMINISTRATIVE ADVISORY COMMITTEE TO TEST ACCURACY OF THE COATES/COHEN/GARRIS MODEL ON FACULTY WORKLOADS

On behalf of the Executive Committee, Professor Griffith moved the following nominations for election to the Advisory Committee: Professor Anthony M. Yezer (Economics) and Professor John H. Carson (Management Science). There were no nominations from the floor, and the nominees were unanimously elected.

III. NOMINATIONS FOR ELECTION TO THE FACULTY ADVISORY COMMITTEE FOR THE JOINT TASK FORCE ON 4-CREDIT COURSE PROPOSAL

On behalf of the Executive Committee, Professor Griffith moved the following nominations for election to the Task Force: Professors Lois Graff (SBPM); Douglas L. Jones (SEAS); Carl A. Linden (Elliott School); and William C. Parke (CCAS). There were no nominations from the floor, and the nominees were unanimously elected.

IV. REPORT OF THE EXECUTIVE COMMITTEE

On behalf of the Executive Committee, Professor Griffith, Chair reported as follows:

(1) A joint Task Force on Communication between the administration and faculty will be established shortly.

(2) The Executive Committee received the proposed changes in the Faculty Handbook, and has submitted its comments and suggestions for revisions to Vice President French.

(3) Senate Committee Chairs, who have not yet submitted Mission Statements, are reminded to do so as soon as possible.

(4) The next meeting of the Executive Committee is set for Friday, March 27th, at 11:00 a.m.

(5) A notice of the date and time of the Special Meeting of the Senate will be mailed next week.

V. INTERIM REPORTS OF SENATE COMMITTEE CHAIRS

Professor Hill, Chair of the Appointment, Salary, and Promotion Policies Committee, distributed a Special Report on Capping of Summer Session Salaries at the request of the School of Engineering and Applied Science. With reference to the report of the Task Force on Summer Sessions, indicating that summer session salaries would be capped, the ASPP Committee sought to clear up some misunderstandings. First, capping will not be put on all summer salaries irrespective of the number of courses a faculty member teaches. The cap applies to each course separately.



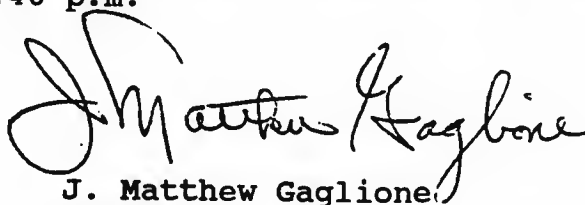
Secondly, the per course minimum of 20% above the average compensation is figured from the compensation of all faculty in the schools, not from the average compensation of faculty who actually teach summer classes. The Committee accepts the administration's contention that it needs more funds for promoting course offerings and accepts the statistically provable 2% a year decline in summer school enrollments. Part of this decline can be attributed to the fact that GW has one of the highest summer tuition levels in the country. While the Committee does not endorse reducing faculty salaries, it does note that 12 out of 18 sister market-basket institutions have capped summer salaries. The Committee is not persuaded that the capping of summer salaries or the proposal to cancel courses with low enrollments will have a desirable result. Professor Hill said the ASPP Committee will follow this closely and report early in the fall regarding both the capping and the efforts to cancel summer courses. (The Special Report is attached.)

BRIEF STATEMENTS (AND QUESTIONS)

No brief statements were made.

ADJOURNMENT

Upon motion made and seconded, President Trachtenberg adjourned the meeting at 4:40 p.m.

A handwritten signature in dark ink, appearing to read "J. Matthew Gaglione". The signature is fluid and cursive, with the first name "J." and last name "Gaglione" being more prominent.

J. Matthew Gaglione  
Secretary

[Any inquiries about this resolution should be directed to Professor Hill, Chair, ASPP Committee, Ext. 4-6761]

A RESOLUTION TO AMEND THE FACULTY CODE RESPECTING THE DATE OF APPOINTMENT NOTIFICATION (91/7)

WHEREAS, the annual appointment/reappointment letters can no longer be processed and mailed by the Code-specified date of "on or about April 1"; and

WHEREAS, good policy suggests that the Faculty Code accurately state those University procedures to which the Code alludes; NOW THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY:

: (1) That Section IV. A. 1. b. of the Faculty Code be amended to read:

- b) "Tenured members of the faculty and faculty members whose appointments do not expire or whose appointments will be renewed shall be notified in writing annually, on or about ~~April-1~~ May 7, of salary and of changes in rank or of other terms and conditions of service for the next academic year."

Committee on Appointment, Salary, and Promotion  
Policies (including Fringe Benefits)  
February 25, 1992

Adopted March 13, 1992

[Any inquiries about this resolution should be directed to Professor Hill, Chair, ASPP Committee, Ext. 4-6761]

A SUBSTITUTE RESOLUTION TO AMEND THE FACULTY CODE TO ESTABLISH SCHOOL-WIDE PERSONNEL COMMITTEES (91/6)

WHEREAS, all academic units of the University are required by the Faculty Code (Art. IV-B and C) to publish their criteria for the tenure and promotion of regular full-time faculty; and

WHEREAS, school-wide personnel committees have served to assure uniformity in the application of these criteria in those schools where such committees have been established; and

WHEREAS, all faculty have a professional interest in the maintenance of high and uniform standards for tenure and promotion throughout the University; NOW, THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY

- (1) THAT a new Section D be added to Article IV. of the Faculty Code to read:

(underlining indicates new language)

"D. School-wide Personnel Committees

To implement the procedures required in Sections B.3 and C.2. above, each school or college shall establish a school-wide personnel committee, either as an elected standing committee or of the school faculty acting as a committee of the whole, to consider recommendations for appointments with tenure, or against the reappointment, promotion or tenure of regular full-time faculty. Such committees may request additional information, documentation, or clarification respecting such recommendations. Further:

1. a- An elected standing committee, sitting in review of recommendations originating from a department or equivalent unit, shall advise the dean of that school or college as to whether the candidate has met the relevant school and department criteria, and ~~whether compelling reasons exist~~ as to whether it has identified any 'compelling reasons' which may exist for not following the faculty departmental or unit recommendation. Such advisories shall not be construed as 'faculty recommendations' as defined by Sec. B.3. of the Procedures for Implementation of the Faculty Code.

~~b- Such elected standing committees may also review departmental criteria for reappointment, promotion, and tenure, and as deemed appropriate, recommend that such criteria be clarified or specified more fully.~~

2. When the faculty of a school or college, sitting as a committee of the whole, serves as the school's personnel committee, and initiates recommendations to the dean for

(continued)

Substitute Resolution 91/6 (cont'd)

reappointment, promotion or tenure, such recommendations shall be construed as 'faculty recommendations' in the sense of the Procedures, Sec. B.3."

- (2) THAT Section D. of Article IV. "Nondiscrimination," be restyled "E. Nondiscrimination."

The foregoing substitute resolution was approved by the Committee on Appointment, Salary, and Promotion Policies (on January 13 and February 11, 1992).

Postponed January 17, 1992, to the next regular meeting of the Faculty Senate, February 14, 1992

Deferred February 14, 1992, to the next regular meeting of the Faculty Senate, March 13, 1992

Adopted, as amended, March 13, 1992



OFFICE OF THE VICE PRESIDENT  
FOR ADMINISTRATIVE AND INFORMATION SERVICES

**TO:** Stephen Joel Trachtenberg

**FROM:** Walter M. Bortz

**DATE:** March 11, 1992

**SUBJ:** Benefits Review Committee Recommendation

The Benefits Review Committee, after considerable deliberation, is recommending a change to the University's retirement program. There are several reasons underlying this recommendation.

- 1) The current benefit [a 10 percent, non-contributory program in which all employees with more than two years of service (employees with previous experience in educational institutions may begin benefit on date of employment) and at least twenty-one years of age are eligible], was developed in 1988 (effective January 1989) and was a reaction to the changes in the Tax Act of 1986 which required the review of the tax exempt status of non-profit organizations' retirement programs. This program replaced a previous participatory 2 for 1 match program in which the University matched 1 percent of employee salary contribution with 2 percent to a maximum University contribution of 10 percent. These types of retirement programs are now required to meet certain economic non-discrimination criteria. We must prove through the application of specific formula, that less highly compensated employees and more highly compensated employees not only have the opportunity to participate more or less equally in the benefit but also take advantage of the opportunity. The change in the retirement program which was made in 1988 to meet the requirements of the Tax Act have, after careful review, proven to be more expensive than initially anticipated and in excess of what the law mandated.
- 2) The University changed its retirement plan effective January 1989 to ensure that all employees received a "similar" benefit. The object was to provide adequate funds at retirement so that a former employee might be able to live in retirement absent financial hardship. However, because of the nature of social security with its cap in monthly benefit payments and level of contribution of 12+ percent divided between the employee and University, a less highly compensated employee's payment at retirement from social security will represent a higher percentage of available retirement income than a more highly compensated employee. In fact, because of social security payments and the amount of salary contributed on behalf of an employee by the University, a less highly compensated, long-term employee

participating at the maximum level in the University's retirement program could easily receive the equivalent of more than 100 percent of final pay as a total retirement benefit.

It is for this reason that a 4 percent base contributed by the University on behalf of all eligible employees seems a more reasonable retirement benefit. Those who can take advantage of the matching contributions suggested in this recommendation should and will be able to build their retirement program more. However, those who feel they cannot contribute additional monies will still be able to enjoy an adequate income at retirement through a combination of social security and the accumulations from the 4 percent base non-participatory contribution.

- 3) The overall employee benefit rate, in spite of efforts to limit its growth, has exceeded 24 percent and is very close to 25 percent (fringe benefits for sponsored programs is budgeted at 24.6 percent for 1991-92). This growth in employee benefits is limiting the ability of the University to address other compensation issues. Institutionally, a 25 percent limit appears to be reasonable for employee benefit rates. (It is important to note that annual leave holidays and sick leave are not included in these rates. It is estimated that leave would add approximately 13 percent to this figure.) The Committee, in struggling with a significant increase in health insurance premiums during the last several years, believes a reallocation of benefit dollars from the retirement benefit to the health insurance benefit is appropriate, desirable, and necessary at this time. The utilization of health care by our employees and the continuing increase in health care costs across the nation have driven up our expense for this benefit at an alarming rate and to alarming levels. The total premium now required and that portion of the premium paid by our employees has the potential of adversely affecting our population and our ability to remain competitive in the marketplace. For this reason, the Benefits Review Committee has elected to recommend a reallocation of dollars within our current employee benefit rate of 24 + percent from the retirement benefit to the health insurance benefit.
- 4) Our current retirement benefit delays eligibility until after two years of service. However, those faculty and staff who have enjoyed previous employment in educational institutions are exempt from the waiting period and made immediately eligible. We have been advised by our consultants that all employees must be asked to abide by this regulation and, as of January 1992, a date by which compliance with this part of the law was required, the University has treated all new employees similarly. However, it is felt that a waiting period of two years for new hires in the academic community discourages lateral moves. We believe a non-vested, matching, contributory program would resolve this issue and you will find a suggestion to this end as part of the BRC recommendation.

This memo addresses changes to the Retirement Benefit. It should be noted, however, that the driving force behind this recommendation is not a recommendation for an overall reduction in fringe benefits, but for a careful and deliberate **reallocation** of one benefit to another.

The Benefits Review Committee recommends that the following retirement program be instituted at the earliest possible date:

- 1) The base contribution for all eligible employees who complete the necessary documents for participation will be 4 percent. All participating employees will be eligible for a matching contribution of 6 percent in 1 percent increments. Faculty and staff taking full advantage of this program will, therefore, apply the equivalent of 16 percent to their retirement accounts. (See chart below.)

<u>GW</u> <u>Contr.</u>	<u>GW Match</u> <u>1% for 1%</u> <u>to Max of 6%</u>	<u>Indiv.</u> <u>Contr.</u>	<u>Total</u> <u>GW Contr.</u>	<u>Total</u> <u>GW &amp; Indiv.</u>
4%	0%	0%	4%	4%
4%	1%	1%	5%	6%
4%	2%	2%	6%	8%
4%	3%	3%	7%	10%
4%	4%	4%	8%	12%
4%	5%	5%	9%	14%
4%	6%	6%	10%	16%

- 2) The minimum age for participation will be 25 years.
- 3) During the first three years of employment, a new faculty or staff member may participate in the retirement benefit by contributing a portion of his/her salary to be matched one to one up to 10 percent. Vesting of the University's contribution would occur on the first day following the third year of service.

I have been asked to present several minority opinions that have arisen during our review:

- 1) Essentially, we are increasing the total amount of contributions to the TIAA/CREF program for all faculty and staff who elect to participate at the maximum amount from 10 percent to 16 percent. It should be noted that approximately 20 percent of our faculty and staff participate in a supplemental program which exceeds the



Stephen Joel Trachtenberg

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institution's current 10 percent contribution. However, the great majority of these individuals are placing their funds into a retirement vehicle, either Vanguard, Equitable or TIAA/CREF SRA, where cashability and transferability are permitted. This new retirement program will require a 16 percent contribution to a vehicle which does not have cashability. While it is hoped that this cashability issue may be addressed in the future when it is more clear how the law will treat these funds and their availability to address future liability of plan participants, it is a concern which has been discussed at length.

- 2) The Benefits Review Committee recommends that "new" faculty and staff, 0 - 3 years of service, be permitted to participate in a non-vested program on a one to one basis up to 10 percent of salary. A minority of the committee, however, feel that a one to one match to 8 percent is a more than adequate benefit for new employees during their first three years of employment. In addition, the total contribution under the majority recommendation would be 20 percent; i.e., 10 percent from the individual and 10 percent from the institution. The minority recommendation is in line with the fully vested program available after year three of employment; i.e., an 8 percent match from the individual and institution for a total of 16 percent.

These recommendations are being submitted to you and simultaneously passed along to the ASPP Committee of the Faculty Senate, a procedure agreed upon by all of us. Several members of the ASPP Committee are members of the BRC and there has been constant, helpful and timely exchanges of opinion, information and recommendations between the BRC and the ASPP Committee in arriving at this recommendation. I expect that a comment on this recommendation will be forthcoming shortly from the Faculty Senate.

kjh

February 1992

To: The Faculty Senate of the George Washington University

Fr: Committee on Appointment, Salary, and Promotion Policies

Special Report on Capping of Summer Session Salaries

At the request of the Faculty of the School of Engineering and Applied Science, the Committee makes the following special report on the formula proposed by the Administration for the capping of future Summer Session salaries.

As it appears in the Summer Session Task Force report, this formula states:

"Fulltime faculty will be compensated at the rate of one-eleventh of their base salary in the academic year preceding the Summer Session for each three-credit course, up to a per course maximum of 20% over the average compensation for all ranks of the faculty member's school. In Columbian College and GSAS, summer teaching salaries will be capped at 20% above the average for science, social science, humanities faculties at all ranks."

The Committee finds that some faculty have misunderstood the foregoing wording to mean that a cap will be put on summer salaries irrespective of the number of courses a faculty member may teach. This is not correct. The cap applies to each course separately. It is a per-course maximum.

Question has also arisen as to whether the "20% above the average compensation" will be computed from the compensation of all faculty, as well as all ranks, within the school, or only from the average compensation of faculty who actually offer summer courses. Answer: the former. The cap will be computed from the average compensation of ALL faculty within the school. Or, in the case of CCAS and GSAS, within each of the three divisions.

Until evidence to the contrary is forthcoming, the Committee accepts Administration's contentions that:

- (1) Additional funds need to be directed to promoting and publicizing the University's summer offerings; (competing institutions advertise their summer courses far more actively than does GW);
- (2) Additional expenditure for promotion is also indicated by the recent decline in summer undergraduate enrollments, a decline estimated at 2% a year; and
- (3) Part of this decline can be attributed to our high tuition which makes summer courses at GW among the most expensive in the

country; (Unlike many other institutions GW does not offer discounts on summer tuition.)

While the Committee cannot endorse any formula for reducing faculty salaries, it notes the Administration's argument that GW is overdue in adopting the salary-capping practices long in place at other institutions.

Under the proposed formula, the immediate effect of salary-capping appears to be minimal. The Committee notes, for example, that only 22 faculty among those who taught 170 courses last summer would have suffered salary loss had the formula been in place at that time. The total "saving" would have amounted to \$21,140.

While the amount of money freed up for promotional expenditures is not large, nor the proposed capping of salaries likely to make summer teaching widely unattractive, the Committee is aware that salary-capping and other innovations may adversely affect the quality of summer programs. For example, the Committee is not fully persuaded that proposals (subsequently modified) to cancel courses with low enrollments would have been either cost-effective or programmatically desirable. The Committee does believe, however, that the efforts of the Summer Sessions Director to streamline GW's summer programs should be given a trial period. The Committee will renew its oversight and again report to the Senate when new data are available in the fall.

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(N.B. The ASPP Committee approved this report by a 5 to 4 vote. Members in the minority made clear that they opposed salary-capping as a matter of principle, but declined to enter a minority report.)

THE GEORGE WASHINGTON UNIVERSITY  
Washington, DC

The Faculty Senate

March 3, 1992

The Faculty Senate will meet on Friday, March 13, 1992, at 2:10 p.m., in Lisner Hall 603.

AGENDA

1. Call to order
2. Approval of the minutes of the regular meeting of February 14, 1992
3. Old Business:  
  
A SUBSTITUTE RESOLUTION TO AMEND THE FACULTY CODE TO ESTABLISH SCHOOL-WIDE PERSONNEL COMMITTEES (91/6), as amended (deferred to March 13, 1992, Senate meeting); Professor Peter P. Hill, Chair, Committee on Appointment, Salary and Promotion Policies (including Fringe Benefits) (Substitute Resolution 91/6, as amended is attached)
4. Resolutions:  
  
(a) A RESOLUTION TO AMEND THE FACULTY CODE RESPECTING THE DATE OF APPOINTMENT NOTIFICATION (91/7) (Resolution 91/7 is attached)
5. Introduction of Resolutions:
6. Report by Walter M. Bortz, Vice President of Administrative and Information Services on the University's Proposed Contributions to Health Care Plans and to Retirement Program
7. Further response to the University Building and Renovation Plans by Robert T. Smythe, Chair of the Fiscal Planning and Budgeting Committee and David Robinson, Jr., Chair of the Physical Facilities Committee
8. General business:  
  
(a) Nomination for election of the Nominating Committee for the Executive Committee for the 1992-93 Session:  
Professors Charles A. Garris (SEAS), Convener;  
Maximilian Pock (Law); Susan Tolchin (SBPM); Martha Rashid (SEHD); William R. Felts (Medical); William B. Griffith (CCAS)
- (b) Nomination of two faculty members to administrative Advisory Committee to test accuracy of Coates/Cohen/Garris model on faculty workloads

- (c) Nomination of four faculty members to administrative Task Force on 4-credit course proposal; Jay R. Shotel, Special Assistant to the President, Chair
  - (d) Report of the Executive Committee: Professor William B. Griffith, Chair
  - (e) Interim Reports of Senate Committee Chairs
- 6. Brief Statements (and Questions)
  - 7. Adjournment

A handwritten signature in black ink, reading "J. Matthew Gaglione". The signature is written in a cursive, flowing style.

J. Matthew Gaglione  
Secretary

A SUBSTITUTE RESOLUTION TO AMEND THE FACULTY CODE TO ESTABLISH  
SCHOOL-WIDE PERSONNEL COMMITTEES (91/6)

WHEREAS, all academic units of the University are required by the Faculty Code (Art. IV-B and C) to publish their criteria for the tenure and promotion of regular full-time faculty; and

WHEREAS, school-wide personnel committees have served to assure uniformity in the application of these criteria in those schools where such committees have been established; and

WHEREAS, all faculty have a professional interest in the maintenance of high and uniform standards for tenure and promotion throughout the University; NOW, THEREFORE  
BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY

(1) THAT a new Section D be added to Article IV of the Faculty Code to read:

"D. School-wide Personnel Committees

To implement the procedures required in Sections B.3 and C.2. above, each school or college shall establish a school-wide personnel committee, either as an elected standing committee or of the school faculty acting as a committee of the whole, to consider recommendations for ~~or against the~~ reappointment, promotion or tenure of regular full-time faculty. Such committees may request additional information, documentation, or clarification respecting such recommendations. Further:

1. a. An elected standing committee, sitting in review of recommendations originating from a department or equivalent unit, shall advise the dean of that school or college as to whether the candidate has met the relevant school and department criteria, and ~~whether compelling reasons exist~~ as to whether it has identified any 'compelling reasons' which may exist for not following the faculty recommendation. Such advisories shall not be construed as 'faculty recommendations' as defined by Sec. B.3. of the Procedures for Implementation of the Faculty Code.

b. ~~Such elected standing committees may also review departmental criteria for reappointments, promotion, and tenure, and as deemed appropriate, recommend that such criteria be clarified or specified more fully.~~

2. When the faculty of a school or college, sitting as a committee of the whole, serves as the school's personnel committee, and initiates recommendations to the dean for

Substitute Resolution 91/6 (cont'd)

~~Reappointment~~, promotion or tenure, such recommendations shall be construed as 'faculty recommendations' in the sense of the Procedures, Sec. B.3."

(2) THAT Section D. of Article IV, "Nondiscrimination," be restyled "E. Nondiscrimination."  
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The foregoing substitute resolution was approved by the Committee on Appointment, Salary, and Promotion Policies (and 13 January and 11 February, 1992).

Postponed January 17, 1992, to next regular meeting of the Faculty Senate, February 14, 1992.

Deferred February 14, 1992, to the next regular meeting of the Faculty Senate, March 13, 1992



[Any inquiries about this resolution should be directed to Professor Hill, Chair, ASPP Committee, Ext. 4-6761]

A RESOLUTION TO AMEND THE FACULTY CODE RESPECTING THE DATE OF APPOINTMENT NOTIFICATION (91/7)

WHEREAS, the annual appointment/reappointment letters can no longer be processed and mailed by the Code-specified date of "on or about April 1"; and

WHEREAS, good policy suggests that the Faculty Code accurately state those University procedures to which the Code alludes; NOW THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY:

- (1) That Section IV. A. 1. b. of the Faculty Code be amended to read:
  - b) "Tenured members of the faculty and faculty members whose appointments do not expire or whose appointments will be renewed shall be notified in writing annually, on or about ~~April 1~~, May 7, of salary and of changes in rank or of other terms and conditions of service for the next academic year."

Committee on Appointment, Salary, and Promotion  
Policies (including Fringe Benefits)  
February 25, 1992